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October 31, 1969

MEMORANDUM FOR MR. HENRY A. KISSINGER
THE WHITE HOUSE

Subject: Task Force on Heroin Suppression

Attached in the form of a draft memorandum to the President is the report of the Working Group requested by the Task Force. Copies have been made available to the members of the Task Force through their representatives, all of whom have participated in its preparation.


Harry H. Schwartz
Chairman, Working Group

Enclosure:
Draft memorandum

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INTERNATIONAL CONTROL OF OPIUM
SUPPRESSION OF PRODUCTION

Under the 1961 Convention on Narcotic Drugs, seven countries were entitled legally to produce opium for their own consumption and for medicinal exports. These were Bulgaria, Greece, India, Pakistan, Turkey, and the U.S.S.R. Any country may exercise its prerogative to produce opium in sufficient quantity to supply its own medical needs. Some producing countries who are not participants in the convention also export, such as Yugoslavia, Thailand, Singapore and North Viet-Nam.

Turkey, Mexico, Pakistan, Afghanistan, Thailand, Laos and Burma are the countries now supplying the illicit opium market. Turkey and Mexico are the sources of about 80% and 15% respectively for the heroin smuggled into the U.S.

The principal suppliers of crude opium to the U.S. drug manufacturers are India and Turkey. In CY 1968, the U.S. imported 122,974.169 kilograms including 74,992.801 from India and 47,981.368 from Turkey. At about \$12.50 per kilogram, this means about 6 million dollars to Turkey and 10 million dollars to India.

Turkey has stated the intent to totally eliminate opium production by 1972. Production is controlled by quota and allotment. The areas where opium poppies are grown has been reduced from 21 provinces in 1967 to 11 in 1969. A crop substitution program has been instituted and in September 1968, an AID Project Loan Agreement for 1.6 million providing for agricultural assistance was signed. The Turkish National Police and Jandarma were provided 1.4 million for narcotic suppression and eradication. Since Turkey is still the major source of illicit narcotics being smuggled into the U.S., alternative means of controlling the crude opium produced in the interim period before the production is prohibited need to be considered.

1. Pre-Emptive Buying of Crude Opium

In the absence of restrictive controls, the supply of crude opium will rise to meet the demands, both licit and illicit. Pre-emptive buying can take several forms and may, to some extent, be used as a control. The most effective approach would be to purchase the entire crop and destroy it before any crude opium is produced. This could be accomplished in concert with the present crop substitution plan being pursued in Turkey as follows:

- a. The opium poppy culture is already controlled in Turkey. By the exercise of eminent domain, the Turkish Government could appraise each grower's acreage and probable production, plow under, burn or chemically destroy the plants and pay the grower for his crop. At the same time, the grower could be induced to plant substitute crops or whatever is feasible in alternative land use.

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The principal advantage of this method is that opium production would be precluded. The Turkish Government would implement the scheme and their crop substitution program would be accelerated. The illicit market would be suddenly deprived of its major source of raw material and would be forced to drastic measures in adjustment.

- b. The Turkish Government might contract with the growers for their entire production of crude opium with the understanding that the U.S.G. would take delivery of the entire amount at some previously agreed price.

In this case, opportunity for diversion of part of the production would likely continue as in the past. Timing, price offered and increased law enforcement effort could do much to curtail diversion. This method would provide only a fraction of the control afforded by (a) above.

- c. Pre-emptive buying in the illicit market would entail extensive dealing through fronts with unpredictable results. However, if disruption of the illicit market with a view toward forcing adjustment to price increase and limited supply were to be the objective, accomplishment is feasible.

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2. Crop Substitution Program

Crude opium produced by incision of the poppy and collection of exuded resin is economically feasible only in marginal areas where average annual wages are in the neighborhood of \$60 per year. This is true because this type of production requires a great deal of manual labor and the initial product has a relatively low value. However, the product is easily converted into cash and is largely desirable for this reason.

Crop substitute alternatives to opium poppy culture can be effectively introduced with agricultural assistance in the form of educational programs, farm equipment, seed, and consideration of need for products convertible into cash. U.S.A.I.D. has considerable experience and expertise in upgrading agricultural practices in underdeveloped areas and can effectively evaluate the potential for such programs.

3. International Monopoly

In 1950, representatives of the principal drug manufacturing countries met to consider feasibility of an international opium monopoly within the

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framework of the United Nations. Having accepted the principle of such a monopoly, the meeting considered provisions that would ensure efficiency and effectiveness.

- a. It would be essential to provide for inspection of the opium trade at every stage from poppy seed planting to manufacture of alkaloids from opium. The governments concerned would have to be willing to accept international inspection and furnish facilities to inspectors of the opium agency to ensure that provisions of the agreement were being carried out.
- b. To avoid unfair competition, opium producing countries would have to agree not to export manufactured opium derivatives.
- c. Competition from governments not a party to the agreement would require subsidy to manufacturers unable to meet such competition.
- d. A main desirable feature would be elimination of over production which is presently diverted into illicit channels.
- e. The success of an international monopoly presupposes effective enforcement of controls.

4. World Abolition of Opium

Most opium derivatives can be adequately replaced by synthetics such as demerol and methadone and most, if not all, medical requirements can be met without producing and stockpiling opium. About 85% of all legal opium goes into codeine production which is widely used in exempt cough preparations and such products as empirin with codeine. Synthetics such as dextromethorphan are already widely used to replace codeine, particularly in the cough preparations. The foregoing is merely to support the statement that replacement of opium derivatives with synthetics is possible with today's technology without seriously affecting the practice of medicine.

5. Domestic Production of Gum Opium

The U.S. can produce its own supplies of opium and withdraw as a customer for Indian and Turkish opium. Such a move would further depress the already seriously depressed market for gum or crude opium. No doubt such a move would finally result in lowered production; however, there is little reason to believe that this would diminish the illicit supply, neither would it stimulate the affected governments to increase their control activities.

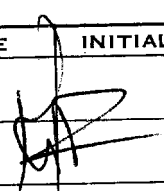
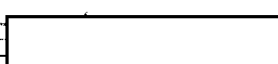


CONCLUSION

The alternatives in this paper have potential which might be brought into better perspective with a detailed analysis. While pursuing the first and

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most desirable alternative, additional approaches to achieve a solution to the total problem of international opium control can be considered. We should not rule out eventual use of any of the possible approaches should the need arise.

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